

Supported Employment Program

Report No. 95-10 -- Report Summary

Susan Baugh, Principal Management Auditor

TABLE OF CONTENTS

- ▶ [Introduction and Background](#)
 - ▶ [Objective and Scope](#)
 - ▶ [Summary Statement of Findings](#)
 - ▶ Major Findings:
 - ▶ [Finding](#) - King County and Metro have implemented successful Supported Employment Programs.
 - ▶ [Finding](#) - The Supported Employment Program expansion goals were not met.
 - ▶ [Finding](#) - Non-severely disabled employees were placed in supported positions using non-competitive hiring procedures.
 - ▶ [Finding](#) - The Developmental Disabilities Division paid contractors despite performance and contract compliance issues.
 - ▶ [Finding](#) - Documentation and reporting practices for the Supported Employment Program need to be strengthened.
 - ▶ [Finding](#) - Budgeting methodology could be improved to expand supported employment opportunities.
-

INTRODUCTION AND BACKGROUND

The management audit of the supported employment program was initiated at the request of the Metropolitan King County Council and prompted by the Council's interest in determining the County's progress toward accomplishing the goals and objectives established for the supported employment program. King County's supported employment program provides developmentally disabled individuals an opportunity to perform meaningful, fairly compensated work in integrated job settings. King County, including the Department of Metropolitan Services (Metro), currently employs 50 supported employees. The estimated 1995 cost of the County's supported employment program was approximately \$1.01 million for employee salaries and benefits, and \$236,000 for contractual job development, placement, training and support services.

OBJECTIVE AND SCOPE

The primary audit objective was to evaluate the County's effectiveness in meeting the goals and objectives established for the supported employment program. In addition, the potential expansion of the County's supported employment program and improved integration within the existing County human resource system was examined.

SUMMARY STATEMENT OF FINDINGS

King County and Metro implemented successful supported employment programs based upon national and state supported employment indicators. However, the recent goals established by the King County Council and Department of Human Services Developmental Disabilities for

expansion of the program have not been met. The integration of the supported employment program with the County's human resources system could facilitate the expansion of the program to achieve the Council's goal of 300 placements by the year 2000.

MAJOR FINDINGS AND RECOMMENDATIONS

Finding II-1. King County and Metro Have Implemented Successful Supported Employment Programs

King County and Metro were early leaders in supported employment. King County implemented a group supported employment project in 1987 with the hiring of six developmentally disabled employees to staff a Parks Division maintenance crew, and Metro, prior to its consolidation with King County, hired its first individual supported employee in 1990. Currently, 50 developmentally disabled employees are employed in 15 County and Metro departments.

Both the County and Metro supported employment programs were considered to be highly successful based upon the quality of jobs provided for the developmentally disabled employees. For example, the average County and Metro wage was 27% higher than the Washington State average and 59% higher than the national average. The overall average hours worked per week by County and Metro supported employees was 22% higher than the Washington State average and 24% higher than the national average for supported employees. County and Metro supported employees also received annual raises that averaged 8% during the five-year period. Furthermore, the County and Metro's supported employment programs achieved positive outcomes for both employers and employees, including the promotion of supported employees to more complex, higher paid positions.

Finding II-2. The Supported Employment Program Expansion Goals Were Not Met. Integration of the Supported Employment Program with the County's Human Resource System Could Facilitate the Program's Expansion.

During the past three years, the Council established specific annual placement goals and a long-range goal of 300 supported employee placements by the year 2000. Although County agencies made progress in hiring supported employees during the past three years, the Council's annual placement goals have not been met. In fact, placements fell 50% or more below the established annual goals during the past three years. In addition, the Deputy County Executive has not yet developed a Council-mandated plan to provide 300 supported employee placements by the year 2000.

County and Metro managers identified numerous factors (e.g., budget constraints, workplace safety issues, etc.) that contributed to the low annual placement rate. In addition, concerns were expressed about a significant expansion given anticipated downsizing due to the County and Metro consolidation, and about the equity of targeting the program exclusively to the developmentally disabled. Thus, the 300 supported employee placement goal was analyzed in relation to the prevalence of developmentally disabled workers in the local labor market.

Based upon audit analysis, the prevalence rate for developmentally disabled workers was 2.4% if all developmentally disabled individuals over 21 years of age were included in the base population, or 1.4% if only the percentage of developmentally disabled individuals registered with the State for employment services were considered. Applying the 1.4% and 2.4% rates, respectively, to the County work force resulted in a corresponding range of 155 to 267 rather than 300 supported employment positions.

Although the goal of 300 supported placements was high based upon the prevalence analysis, the need for expanding supported employment opportunities was clearly evident given the current 43% unemployment rate for King County's developmentally disabled workers. To encourage the identification of more employment opportunities for severely developmentally disabled workers, specific elements of the County's supported employment program could be coordinated through the Office of Human Resource Management (OHRM). For example, the hiring process could be integrated with existing OHRM systems, such as certification process

for affirmative hiring groups.

The audit recommended that the Council consider adopting a new policy that encourages affirmative hiring of developmentally disabled workers through an integrated Office of Human Resource Management certification and referral process if a significant program expansion is still desired. In addition, the Deputy County Executive should again be directed to submit a formal plan for expansion of the County's support employment program that considers the potential for significantly increasing supported placements based on an integrated human resources systems approach.

Finding III-1. Placement of Non-Severely Disabled Employees in Supported Positions Using Non-Competitive Hiring Procedures Circumvented the State and County Codes That Promote Fair Employment Practices.

Issues surfaced during the audit regarding the absence of structured program guidelines and eligibility requirements for supported employees. Specifically, the Facilities Management Division used unique recruitment, examination, and hiring procedures, designed to eliminate employment barriers for the severely developmentally disabled, to hire three non-severely developmentally disabled employees. Placement of competitive employees in supported positions using non-competitive hiring procedures circumvented the State and County codes that promote non-discriminatory and fair practices in public employment. The placements also resulted in the misuse of grant resources since funds targeted for the employment of the developmentally disabled were used to create the three positions that were subsequently filled by non-severely developmentally disabled employees.

The audit recommended that the Office of Human Resource Management establish formal supported employment guidelines for the recruitment, examination, and selection of supported employment program participants, and establish formal eligibility requirements for supported employees based upon Federal and State definitions of severely developmentally disabled. The guidelines should be reviewed and approved by the Council. In addition, formal procedures should be established for documenting disabled applicants' eligibility for supported employment services (e.g., State disability certification, etc.) prior to placement. Any exceptions to the established guidelines should be authorized by the Office of Human Resource Management Director.

Finding III-2. The Developmental Disabilities Division Did Not Comprehensively Monitor Contracts in Compliance With State Requirements, Nor Require Contractors to Meet Performance Goals and Objectives Before Receiving Payments for Services.

The County's contract with the Washington State Department of Social and Health Services (DSHS) specifically required the County to monitor the services delivered by its contractors and conduct at least one on-site visit to each contractor during the contract period to assure compliance with performance standards. However, the Developmental Disabilities Division did not comprehensively monitor contracts or conduct the required on-site visits since 1993. In addition, the Division did not require contractors to meet performance goals and objectives before receiving full reimbursement for services, and at least 5 (29%) of 17 active contractors were not meeting the contractual performance objectives. Thus, the Division was not in compliance with either the State contract or Department of Human Services contract and monitoring procedures.

It should be noted that the Developmental Disabilities Division was in the process of addressing both the contract compliance and monitoring issues. A committee comprised of contractors, parents, advocates, staff and other interested representatives was established to provide input and recommendations to promote better service delivery for supported employment throughout King County. New draft contracting and monitoring procedures were scheduled to be implemented by the end of 1995.

The audit recommended that the Developmental Disabilities Division continue its efforts to implement new contracting and monitoring procedures. On-site reviews should be conducted to ensure that reported activities and progress are consistent with performance objectives and State quality of service requirements. The Developmental Disabilities Division should also

establish reasonable performance objectives for all contractors and require compliance, or reasonable justification for non-compliance, to receive full reimbursement of services.

Finding III-3. Documentation and Reporting Practices for the Supported Employment Program Need to Be Strengthened to Ensure That County Officials Have Accurate Information on Program Status.

Numerous County departments and contractors provided employment and support services to the County's 50 supported employees. Although the supported employment contractors maintained select records on specific employees or services, comprehensive and current information was not maintained by the Developmental Disabilities Division on the County's supported employment program. Consequently, no detailed records were available to document the number of County and Metro supported employees, their wages, hours worked, reasons why former employees terminated, and why certain supported positions were not refilled, or to evaluate the performance of the contractors providing supported employment services and the overall success of the County and Metro programs.

The absence of centralized, comprehensive, and current records also resulted in the dissemination of inaccurate information on County and Metro supported employees. For example, formal progress reports submitted to the Council on the County and Metro supported employment programs were inaccurate because the source data was outdated.

During the audit process, a suggested format was developed by audit staff for the collection and analysis of information necessary for evaluating the County's supported employment program, along with a new database that could be easily updated and maintained for future reporting purposes. The Developmental Disabilities Division was also in the process of upgrading its management information system in order to address many of the data and reporting issues raised in the audit.

The audit recommended that the Office of Human Resource Management and Developmental Disabilities Division maintain detailed records for supported employment program personnel, including employee name, department, division, title, start date, employment duration, starting wage, current wage, hours worked, employment status, and reasons for any terminations. In addition, the Office of Human Resource Management, in cooperation with the Developmental Disabilities Division, should routinely monitor the status of the County supported employment program positions and placements, and produce an annual report on the progress of County agencies and contractors in meeting both Council-established and contractual goals and objectives.

Finding III-4. The Budgeting Methodology for the County's Supported Employment Program Could Be Improved to Reflect Actual Costs and Flexible Use of Funds to Expand Supported Employment Opportunities.

The Developmental Disabilities Division developed a rate structure for placement, training, and extended support services for developmentally disabled workers placed in supported employment positions within King County's geographic boundaries. The rate structure was based upon the total employment service funds available annually for supported employment County-wide divided by the total number of supported employees, including King County and Metro supported employees. During the past five years, approximately \$6,000 was budgeted annually for support services to County and Metro supported employees.

However, the Developmental Disabilities Division provided data for County supported employees which clearly documented a decrease in service hours and costs inversely proportional to the increased duration of employment. Thus, "excess" funds were budgeted for long-term County and Metro supported employees that were used by the contractors for services to other non-King County and Metro supported employees in the County-wide area.

The Developmental Disabilities Division indicated that an alternative, flexible funding mechanism could be established that allows King County and Metro agencies to use budget savings for the direct benefit of its supported employees. For example, County employers could use the budget savings to obtain additional training services so that supported employees could

perform more job tasks, or to develop more extensive training and resources for supervisors and co-workers. The budget savings could also be utilized to fund new King County and Metro supported employment positions. Salary and benefit costs could be financed for the first six months, based on a commitment from hiring agencies to maintain the supported positions with agency resources subsequent to the six-month period

The audit recommended that the Developmental Disabilities Division develop a new budgeting mechanism for the County and Metro supported employment programs that reflects actual costs and promotes more flexible use of employment services funding by agencies that employ supported employees. The Division should also consider funding new supported employment positions from budget savings accumulated from long-term County and Metro supported employees, or make other resources available, to fund new positions for the first six months of employment based upon a commitment from hiring agencies to maintain the supported positions with agency resources.

Updated: 06/24/02